



DISTRICT OF NORTH SAANICH

BYLAW NO. 1521

A BYLAW RESPECTING THE FINANCIAL PLAN FOR THE YEARS 2021 TO 2025

WHEREAS the Municipal Council has caused to be prepared the District's Financial Plan for the years 2021 to 2025 in accordance with the provisions of Section 165 of the Community Charter;

AND WHEREAS Ministerial Order No. M192 under the *Emergency Program Act* permits the Council of the District of North Saanich to adopt a bylaw on the same day that it receives third reading;

THEREFORE the Municipal Council of the District of North Saanich, in open meeting assembled, enacts as follows:

1. The Financial Plan prepared on a full accrual basis for the years 2021 to 2025 is hereby attached as Schedule "A" – Five Year Financial Plan.
2. The Transfer from (to) Reserves for the years 2021 to 2025 is hereby attached as Schedule "B" – Transfer from (to) Reserves
3. The Statement of Objectives and Policies for the year 2021 is hereby attached as Schedule "C" – Statement of Objectives and Policies.
4. It shall be lawful for the Director of Financial Services to pay, from time to time, the amounts which become necessary for the services and debt requirements mentioned in Schedules "A" & "B".
5. All payments of municipal and utility expenditures for the current year made prior to the passage of this Bylaw are hereby ratified and confirmed.
6. The Director of Financial Services shall mean and include the Director of Financial Services of the District of North Saanich or any person acting in that capacity with the sanction and by the authority of the Council.
7. This By-law may be cited for all purposes as the "**North Saanich Financial Plan Bylaw No. 1521 (2021)**"

READ A FIRST TIME the 3rd day of May, 2021

READ A SECOND TIME the 3rd day of May, 2021

READ A THIRD TIME the 3rd day of May, 2021

FINALLY ADOPTED, pursuant to Ministerial Order No. M192, the 3rd day of May,
2021





MAYOR



CORPORATE OFFICER

**District of North Saanich
2021 – 2025 Financial Plan
Schedule “A” of Bylaw No. 1521**

	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Revenues					
Property Taxes, Grants-In-Lieu & Special Levies	(13,622,300)	(14,773,360)	(15,212,715)	(15,603,672)	(15,834,982)
Sale of services:					
General	(117,300)	(117,700)	(117,700)	(117,700)	(117,700)
Protective	(27,100)	(27,400)	(27,400)	(27,400)	(27,400)
Solid Waste & Environmental	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Planning & Community	(680,200)	(703,700)	(703,700)	(703,700)	(703,700)
Transportation	(130,400)	(118,800)	(120,400)	(118,800)	(120,400)
Parks, Recreation & Cultural	(51,000)	(250,300)	(49,600)	(50,200)	(50,900)
Water utility fees and charges	(3,435,100)	(3,441,400)	(3,441,400)	(3,441,400)	(3,441,400)
Sewer utility fees and charges	(1,470,800)	(1,474,600)	(1,475,100)	(1,475,100)	(1,475,100)
Other revenue	(641,700)	(671,800)	(701,800)	(731,800)	(761,800)
Transfers from other governments	(1,529,400)	(976,700)	(1,001,000)	(1,001,000)	(1,001,000)
Total Revenues	(21,755,300)	(22,605,760)	(22,900,815)	(23,320,772)	(23,584,382)
Expenses					
General Government	3,942,350	3,996,600	3,960,600	4,008,650	4,052,200
Protective Services	3,617,400	3,856,460	4,017,715	4,190,122	4,254,682
Solid Waste & Environmental	135,900	112,900	112,900	112,900	112,900
Planning & Community	1,335,600	1,411,900	1,384,600	1,408,200	1,430,500
Transportation	2,337,200	2,364,600	2,482,200	2,499,800	2,517,900
Parks	626,100	620,800	628,000	633,300	638,600
Recreation & Cultural	1,083,900	1,118,800	1,144,100	1,164,500	1,184,900
Water Utility	3,390,400	3,396,700	3,396,700	3,396,700	3,396,700
Sewer Utility	1,192,800	1,196,600	1,197,100	1,197,100	1,197,100
Other operating	1,716,500	492,400	192,400	82,400	87,400
Debt interest	229,300	229,300	229,300	229,300	229,300
Amortization	3,448,000	3,275,000	3,150,000	2,937,000	2,811,000
Total Operating Expenses	23,055,450	22,072,060	21,895,615	21,859,972	21,913,182
Net Revenue (Expenses)	(1,300,150)	533,700	1,005,200	1,460,800	1,671,200
Allocations					
Transfers from (to) Reserves	(14,646,900)	1,011,200	(733,400)	(32,700)	(1,859,400)
Transfer from (to) Non-stat Reserves	15,080,700	-	-	-	-
Transfers from (to) Surplus	6,183,150	-	-	-	-
Capital expenditures	(8,495,500)	(4,550,600)	(3,152,500)	(4,095,800)	(2,353,500)
Reserve fund in excess of amortization	3,448,000	3,275,000	3,150,000	2,937,000	2,811,000
Debt principal	(269,300)	(269,300)	(269,300)	(269,300)	(269,300)
Financial Plan Balance	-	-	-	-	-

**District of North Saanich
2021 – 2025 Financial Plan
Schedule “B” of Bylaw No. 1521**

Transfers from (to) Reserves

	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
<u>Transfers from Reserve Funds</u>					
Furniture and Equipment	532,400	197,000	180,400	265,000	280,400
Fire Vehicle and Equipment	713,500	364,800	15,500	14,800	15,500
Fire Equipment Capital	60,700				
Public Works Vehicle and Equipment	610,000	364,000	590,000	381,000	35,000
Water Vehicle and Equipment	535,000	225,000	125,000	40,000	47,000
Sewer Vehicle and Equipment	525,000	65,000	115,000	65,000	149,000
Parks Capital	108,000	373,000	73,000	58,000	58,000
Storm Water Capital	644,700	125,000	125,000	125,000	125,000
Roads Capital	860,200	1,070,000	650,000	1,026,000	650,000
Water Capital	1,760,000	1,030,000	1,030,000	1,030,000	1,030,000
Sewer Capital	45,000	45,000	45,000	45,000	45,000
Facilities	783,900	60,000	-	-	-
Carbon Neutral	10,000	-	-	-	-
New Works and Equipment	215,000	-	300,000	-	-
Agricultural	125,000	125,000	-	-	-
Policing	113,000	68,200	23,400	23,400	23,400
Snow Removal	25,000	25,000	25,000	25,000	25,000
Community Works Gas Tax	1,932,000	580,000	30,000	1,124,000	-
Financial Stabilization	1,793,550	589,200	358,600	239,400	201,600
Local Improvement	-	-	-	-	-
Parkland Acquisition	-	-	-	-	-
Total Transfers from Reserves	11,391,950	5,306,200	3,685,900	4,461,600	2,684,900
<u>Transfers to Reserve Funds</u>					
Furniture and Equipment	(469,600)	(200,000)	(200,000)	(200,000)	(200,000)
Fire Vehicle and Equipment	(891,000)	(315,000)	(315,000)	(315,000)	(315,000)
Public Works Vehicle and Equipment	(687,100)	(190,000)	(190,000)	(190,000)	(190,000)
Water Vehicle and Equipment	(128,500)	(66,000)	(66,000)	(66,000)	(66,000)
Sewer Vehicle and Equipment	(242,100)	(75,000)	(75,000)	(75,000)	(75,000)
Parks Capital	(892,800)	(245,000)	(245,000)	(245,000)	(245,000)
Storm Water Capital	(1,460,800)	(102,000)	(127,000)	(152,000)	(202,000)
Roads Capital	(2,487,600)	(569,000)	(569,000)	(569,000)	(569,000)
Water Capital	(3,122,100)	(1,009,100)	(1,009,100)	(1,009,100)	(1,009,100)
Sewer Capital	(2,819,000)	(246,100)	(246,100)	(246,100)	(246,100)
Facilities	(1,367,800)	(275,000)	(350,000)	(400,000)	(400,000)
Carbon Neutral	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)
New Works and Equipment	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)
Agricultural	(145,500)	(125,000)	(125,000)	(125,000)	(125,000)
Policing	(672,700)	(5,000)	(5,000)	(5,000)	(5,000)
Snow Removal	(145,400)	(25,000)	(25,000)	(25,000)	(25,000)
Community Works Gas Tax	(3,268,700)	(552,700)	(577,000)	(577,000)	(577,000)
Financial Stabilization	(6,960,050)	(17,000)	(17,000)	(17,000)	(17,000)
Local Improvement	(25,800)	(25,800)	(25,800)	(25,800)	(25,800)
Parkland Acquisition	(14,300)	(14,300)	(14,300)	(14,300)	(14,300)
Total Transfers to Reserve Funds	(26,038,850)	(4,295,000)	(4,419,300)	(4,494,300)	(4,544,300)
Total Transfers from (to) Reserve Funds	(14,646,900)	1,011,200	(733,400)	(32,700)	(1,859,400)

**District of North Saanich
2021 – 2025 Financial Plan
Statement of Objectives and Policies
Schedule “C” of Bylaw No. 1521**

In accordance with Section 165(3.1) of the Community Charter, the District of North Saanich is required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

1. the proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the Community Charter
2. the distribution of property taxes among the property classes
3. the use of permissive tax exemptions

FUNDING SOURCES

1. Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2021. Property taxes form the greatest proportion of the revenue raised by the municipality. The system of property taxation is relatively easy to administer and understand. It provides a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. These include services such as general administration, fire protection, police services, bylaw enforcement, and infrastructure maintenance.

For these reasons, property taxation will continue to be the main source of municipal revenue.

2. User fees and charges form the second largest portion of planned revenue. Many municipal services, such as water and sewer usage, can be measured and charged for on a user-pay basis. Fees and charges for services that can be easily administered such as building permits, business licenses, dog licenses, and sale of services are charged on a user pay basis. This basis attempts to apportion the value of a municipal service to those who make use of it.
3. The District has twenty statutory reserve funds established for specific purposes and transfers money to the appropriate capital fund when required.
4. Reserve accounts are established from the annual surplus to carry forward projects that were not completed in the previous year and for current year projects not funded from operating.

Objective

- Over the next five years, the District’s average annual tax increase will not exceed 5%.
- The District will identify all Capital Assets and establish a replacement and funding plan for each.

Policies

- Where possible the District will endeavour to supplement revenues from user fees and charges, rather than taxation, to lessen the burden on its limited property tax base.
- The District will review all user fee levels on an ongoing basis to ensure they are adequately meeting both the capital and delivery costs of the service.
- Capital expenditures will be reviewed and where possible annual contributions to a Reserve Fund be made to fully pay for the expenditure in the future.
- The District will take advantage of grant programs to maximize the funding potential for infrastructure. Funding sources for the District’s share may include a combination of transfers from Reserves, Debt and/or new taxation.
- The District will implement the Tangible Capital Asset Management program which will identify and establish a replacement and funding plan.

Table 1:

Revenue Source	% of Revenue by Source
Property Taxes	62.6%
User Fees & Charges	22.5%
Other Revenue	7.9%
Grants	7.0%
	100.0%

DISTRIBUTION OF PROPERTY TAX RATES

Table 2 provides the distribution of property tax revenue among the property classes. The residential property class provides the largest proportion of property tax revenue. This is appropriate as this class also forms the largest portion of the assessment base and consumes the majority of District services.

Objectives

The District will endeavour to reduce the business class (Assessment Classes 5 and 6) rate to better reflect the average of the commercial tax rates of the Peninsula municipalities.

Policies

- Council will endeavour to reduce the business (Classes 5 & 6) taxes by gradually reducing the share of property taxes paid by business class properties by as much as 0.25% per year for the next five years.

Table 2:

Percentage of Property Tax by Property Class

Property Class	<u>% of 2021 Property Tax</u>
Residential	70.8%
Utilities	0.1%
Light Industry	2.2%
Business	24.6%
Rec / Non Profit	2.1%
Farm	0.2%
	<hr/>
	100.0%

PERMISSIVE TAX EXEMPTIONS

The Annual Municipal Report contains a list of permissive exemptions granted for the previous taxation year and the amount of tax revenue foregone. This list demonstrates the policy of Council that permissive exemptions are granted to not-for-profit institutions that form a valuable part of our community. These include religious institutions, recreation facilities, cultural institutions, and service organizations, especially for the youth and elderly.

Objective

- Over the next 5 years, the District will maintain permissive tax exemptions at the current level.

Policies

- The District will provide permissive tax exemptions to not-for-profit societies based on the needs of the organization and the benefit provided.